

Substance of Proposed Amendment

Chapter 0600-3
Tax Relief

Rule 0600-3-.02 Definitions is amended by adding the following new items:

- (8) “Division” is hereby defined as the Division of Property Assessments, Tax Relief Section.
- (9) “Collecting Official” means the county trustee or in the case of taxes due a municipality, the county trustee or other official responsible for collection of property taxes.
- (10) “Residence” or “Principal Residence” means the dwelling owned by the taxpayer and eligible as the taxpayer’s legal residence for voting purposes. Principal residence shall be determined in accordance with the principles set forth by Tenn. Code Ann. § 2-2-122.

Rule 0600-3-.02 Definitions is further amended by deleting paragraph (5) and substituting the following:

“Application credit voucher” (herein referred to as ACV) is (a) the tax relief application approved by the Division of Property Assessments for use in tax years subsequent to a recipient’s initial year of tax relief, and (b) a voucher to be used for payment of taxes by a tax relief recipient in subsequent years of eligibility.

Rule 0600-3-.03 Age Requirement is amended by deleting the second sentence of paragraph (1) and substituting the following:

Acceptable evidences include, but are not limited to, (a) copy of birth certificate; (b) copy of medicare card; (c) copy of medicaid card; (d) copy of marriage certificate which states the taxpayer’s age; or (e) copy of valid census record. Acceptable evidence will include verification of the date of birth provided by the Social Security Administration either by direct access or mail.

Rule 0600-3-.04 Disability Requirement (Non-Veteran) is amended by deleting paragraph (1) and substituting the following:

A taxpayer, in order to satisfy property tax relief disability requirements, must be totally and permanently disabled during the tax year, and provide evidence of same no later than May 31 following the taxing jurisdiction’s delinquency date. Acceptable evidence is written verification from (a) the Social Security Administration, (b) the Tennessee Department of Human Services, (c) the Veteran’s Administration, (d) the Railroad Retirement Board, or (e) the duly constituted authority of any governmental or private entity which does not participate in the Social Security system. Acceptable evidence will include verification of the current disability status provided by the Social Security Administration either by direct access or mail. A duly constituted authority shall be any official body which would be recognized under law to grant benefits to an employee of that entity based on total and permanent disability. If the applicant is not eligible to obtain a written verification from one of the enumerated agencies, he or she may submit statements of a

physician or other competent proof sufficient to establish disability in accordance with Social Security criteria for disability in effect at the time of application.

Rule 0600-3-.04 Disability Requirement (Non-Veteran) is further amended by deleting the last sentence of paragraph (2) and substituting the following:

Written verification must be received by the Division no later than May 31 following the taxing jurisdiction's delinquency date.

Rule 0600-3-.05 Veteran's Disability Requirement is repealed.

Rule 0600-3-.06 Widow(er) Of Disabled Veteran Requirement is amended by deleting paragraphs (1) and (2) and substituting the following:

Evidence required of a surviving spouse of a disabled veteran for tax relief will be (1) written verification from the Veteran's Administration confirming the deceased veteran's disability; (2) a copy of the disabled veteran's death certificate; (3) ownership documentation; and (4) a form of identification for the surviving spouse, such as a copy of driver's license, medicare card, social security card, military i.d. card, etc.

Rule 0600-3-.07 Certification of Ownership And Residency is amended by deleting the words "place of" in the second sentence and substituting the word "principal" in paragraph (1).

Rule 0600-3-.07 Certification Of Ownership And Residency is amended by deleting the last sentence of paragraph (2)(a) and substituting the following:

The taxpayer must establish that he or she was an owner of the property during the tax year, by evidence submitted no later than May 31 following the delinquency date for the tax jurisdiction.

Rule 0600-3-.07 Certification Of Ownership And Residency is further amended by deleting item (2)(b) in its entirety so that item (2)(b) as amended reads as follows:

That the taxpayer was told to report the prior year's income of all owners of the property.

Rule 0600-3-.07 Certification Of Ownership And Residency is further amended by deleting item (2)(c) in its entirety so that item (2)(c) as amended reads as follows:

That the authority to sign for the owner was established if someone other than the property owner applied or signed the application and a copy of the documentation was provided.

Rule 0600-3-.07 Certification Of Ownership And Residency is further amended by deleting paragraph (3)(b) so that item (3) as amended reads as follows:

For the ACV, before completing the certification, the collecting official must establish through the ownership and income information that the applicant reported information consistent with that of prior years and there is no reason to believe the applicant misunderstood the instructions.

Rule 0600-3-.07 Certification Of Ownership And Residency is further amended by deleting (4)(a) in its entirety and substituting the following:

Life Estate. A holder of a life estate may be eligible for tax relief. If the life estate is not shown on the tax receipt, acceptable evidence must be provided. Acceptable evidence will be a recorded property deed or other acceptable conveyance.

Rule 0600-3-.07 Certification Of Ownership And Residency is further amended by deleting paragraph (4)(b)1. and substituting the following:

1. If the surviving spouse is eligible by age/disability, ownership/residency, and income to receive tax relief in future years, he or she may apply on the DV and be qualified as a new applicant. If an ACV was received in the name of the deceased spouse, it is to be voided and returned to the State office with the application of the surviving spouse.

Rule 0600-3-.07 Certification Of Ownership And Residency is further amended by deleting (4)(c) and substituting the following:

- (c) Mobile Home Owner. An eligible taxpayer owning and whose principal residence is a mobile home may obtain tax relief if the following is provided in addition to the taxpayer's application.
 1. A title or bill of sale (If a title or bill of sale is not available, an affidavit of purchase or inheritance may be provided.);
 2. In the event the taxpayer does not own the land, a form from the assessor showing the assessment value of the mobile home; and
 3. A copy of the tax receipt.

Rule 0600-3-.08 Income Requirement is amended by deleting the second sentence of (1) and substituting the following:

The yearly income will be the total combined income of all property owners for the calendar year prior to the tax year for which property tax relief is requested.

Rule 0600-3-.08 Income Requirement is further amended by deleting paragraph (3) and substituting the following:

Annual income from all sources shall include, but is not limited to, social security payments after the medicare deduction, social security disability after the medicare deduction, supplemental security income, retirement and pension benefits after deduction of healthcare insurance premiums, veteran's benefits, worker's compensation, unemployment compensation, salaries and wages, alimony, total interest and total dividends. For income from a business, farm, rental property, estate settlement, sale of securities, or other comparable source, include only the net income or loss after expenses. Documentation of the loss must be provided with the application. Gain or loss from the sale of a principal residence, AFDC, child support, food stamps, and VA aid and attendance shall not be considered income. Except as otherwise provided by statute or these

rules, determinations regarding the income of an applicant or owners of property shall be guided by the federal income tax requirements for determining income in effect on January 1, 1992. When determining the income using a tax return, the adjusted gross income amount is used. This amount is added to any income sources specified above which may not be taxable by IRS standards.

Rule 0600-3-.08 Income Requirement is further amended by adding the following new subsection:

- (4) Social Security, Railroad Retirement benefits, and Veterans Administration benefits that are required to be paid to a nursing home for the care of the taxpayer, or co-owner(s), shall not be considered as income. Documentation completed by the nursing home administrator or person handling the taxpayer's business must be provided.

Rule 0600-3-.09 Methods of Application is amended by deleting the rule in its entirety and substituting the following:

The Division of Property Assessments shall develop methods for taxpayers to apply for tax relief.

Rule 0600-3-.10 Document Control is repealed.

Rule 0600-3-.11 Acceptance of Property Tax Relief Applications is amended by deleting it in its entirety and substituting the following:

- (1) Postmark.
 - (a) Applications which are submitted by mail to the collecting official from the applicant must be postmarked no later than thirty-five (35) days from the date taxes in the jurisdiction become delinquent for that year.
 - (b) Applications which are to be submitted by the collecting official to the State must be postmarked no later than May 31 following the delinquency date for the tax jurisdiction.
- (2) Mortgage Escrow Accounts. Taxpayers whose property tax is paid through a mortgage escrow account will not be penalized by failure of the mortgage company to release property tax payments to the collecting official by the delinquency date. The collecting official will accept the taxpayer's application (DV or ACV) if submitted within thirty-five (35) days from the date taxes in the jurisdiction become delinquent for that year and hold same until payment is received from the mortgage company. The application will then be submitted for payment.
- (3) Mobile Home. Taxpayers whose property tax is paid by a mobile home park owner will not be penalized by failure of the park owner to pay the property taxes by the delinquency date. The collecting official will accept the taxpayer's application (DV or ACV) if submitted within thirty-five (35) days from the date taxes in the jurisdiction become

delinquent for that year and hold same until payment is received from the mobile home park owner. The application will then be submitted for payment.

- (4) **Lost Application.** If an application (DV or ACV) becomes lost, the collecting official will submit a copy of the original application together with a certification that said copy is a true and correct copy of the original application. This copy should be available from the DV or ACV pending file, and must include copies of all eligibility documents. This provision for lost applications does not supersede the deadline of May 31 following the delinquency date of the tax jurisdiction.
- (5) **Installment or Partial Payments.** Collecting officials who accept partial or installment payments from taxpayers who are qualified to receive property tax relief will accept the taxpayer's application (ACV) if presented within thirty-five (days) from the date taxes in the jurisdiction become delinquent for that year and hold same until the final payment is made by the taxpayer and ensure that the following requirements are met:
 - (a) Credit shall not be extended on an ACV to a taxpayer until the final installment is due and payable;
 - (b) The final payment must be received by the jurisdiction within the inclusive period for installment payments to be made for a given year as established by law for the jurisdiction;
 - (c) Any ACV held for completion of installment or partial payments shall then be submitted promptly to the State for reimbursement so that the ACV's for the subsequent tax year may be selected by the State before tax collecting begins; and
 - (d) A copy of the final receipt showing that all taxes have been paid for a given tax year shall be attached to any ACV submitted for payment.

Rule 0600-3-.14 Moratorium on the Collection of Overpayments Due to Mistake is repealed.

Rule 0600-3-.15 Recertification Of Tax Relief Recipients is repealed.